Current Topics

Defense Procurement and Acquisition Policy

May 12, 2003

Presented by:
Karen Clougherty & Beverly Craig
Defense Procurement & Acq Policy

Outline of Discussion Areas

- Integrated Goals of DoD/AT&L/DPAP
- DPAP organizational structure/mission
- Updates from each Directorate
- Promoting an Innovative Workforce, Training, Maintaining Currency
- Special Interests Areas of the Director

DoD Goals

- SECDEF: Transformation of warfighting and business processes

- AT&L 5 Goals to achieve acquisition excellence

- DPAP: Develop, promote, and champion innovative acquisition and procurement policie for acquiring goods and services

DPAP Vision

Lead Defense Acquisition to
Meet DoD's Needs
With Excellence Every Time

Mission

Defense Procurement and Acquisition Policy develops, promotes, and champions innovative Defense policies and processes for acquiring all the goods and services DoD requires to perform its mission. We —

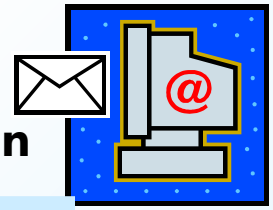
- Identify and develop best acquisition policies and practices to promote flexibility and take advantage of the global marketplace
- Integrate policy creation, training, and communication to quickly and effectively deliver new policies and practices to the community
- Provide timely and sound acquisition advice to Federal leadership and DoD personnel as the DoD Acquisition Ombudsman
- Assist the acquisition community to obtain the best quality weapons, equipment, and services for warfighters
- Lead the DoD acquisition, technology, and logistics community in recruiting, retaining, and training — the right workforce with the right skills in the right place at the right time with the right pay
- Leverage use of technology to provide best possible tools to the acquisition workforce
- Continuously assess the results of our efforts and make improvements

DPAP Mission

Identify and develop acquisition policies and pra[illegible]ses

to promote flexibility and take advantage of the global marketplace.

Integrate policy creation, training, and communication



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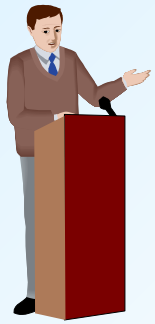

Advise

Assist the acquisition

Provide timely and sound acquisition advice to
Fede
DoD
DoD

to obtain the best
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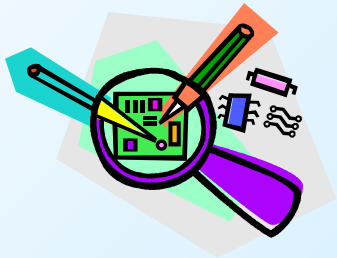
Recruit, retain, and train -- the right workforce

the right workforce with the right skills in the right place at the right time with the right pay.



Leverage use of technology

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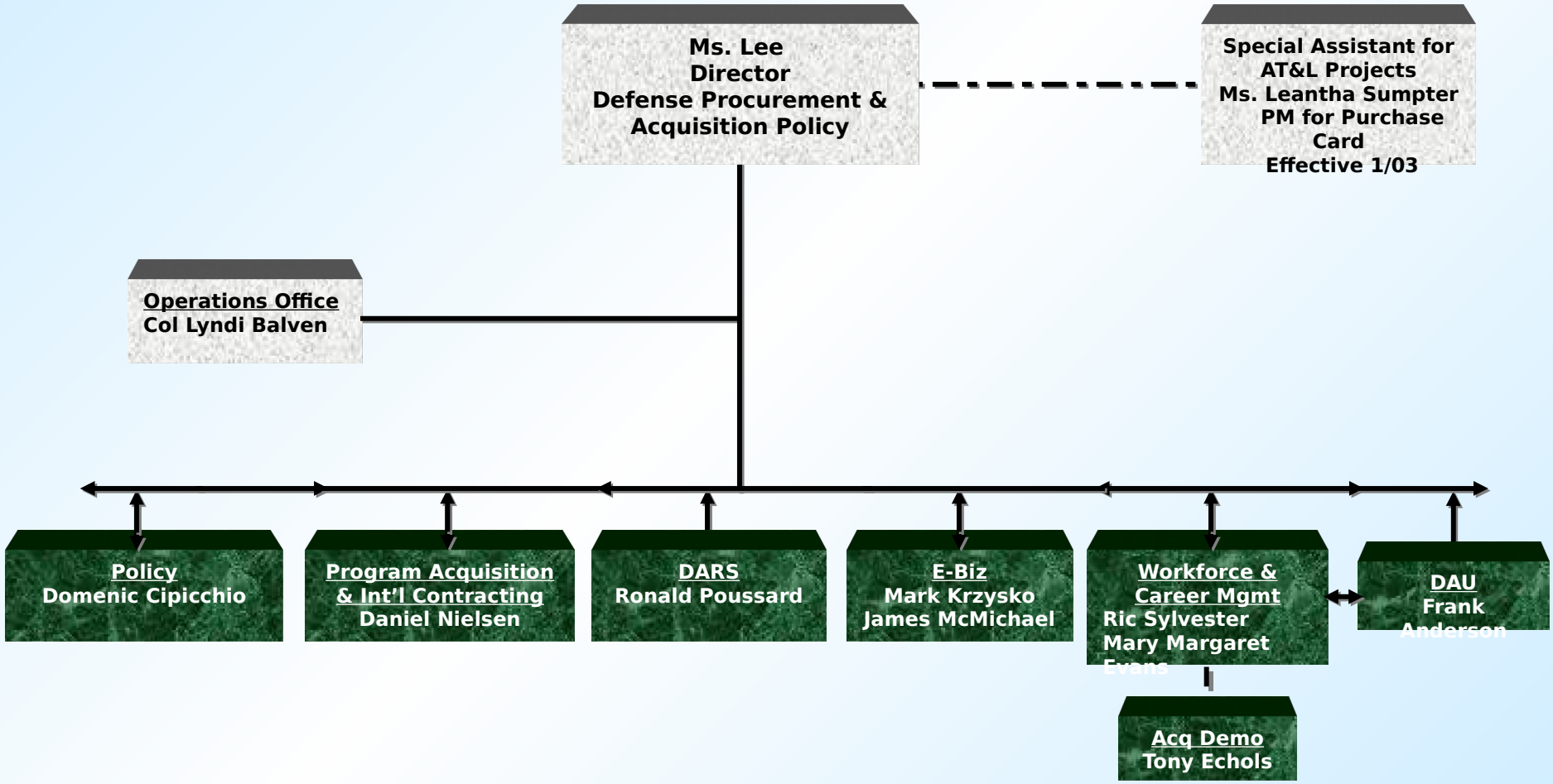
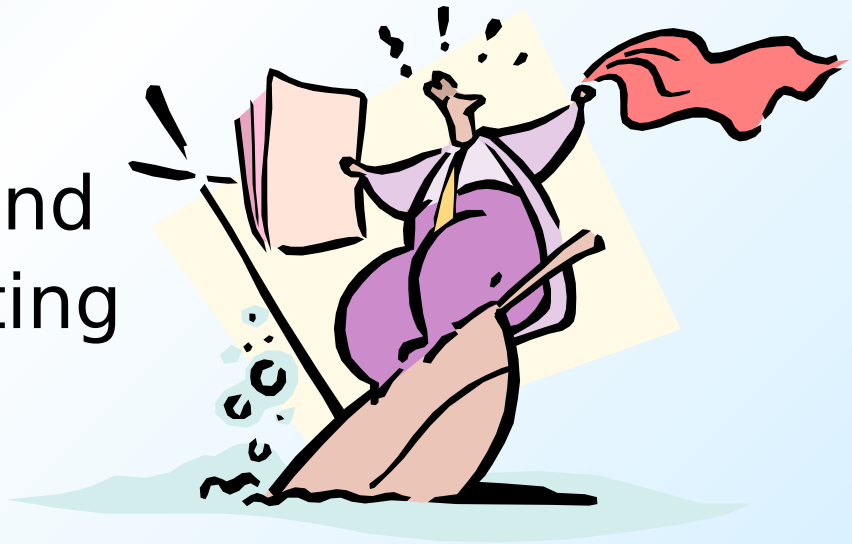
cquisition

DPAP Organization Chart



Current Issues by Directorates

- Special Assistant UID project/purchase cards
- eBusiness
- Program Acquisition and International Contracting
- Defense Acquisition Regulation
- Policy
- Acquisition Workforce and Career Management



DPAP

Special Assistant for AT&L Projects

And Dual Hat, DoD Joint Purchase Card Program Manager

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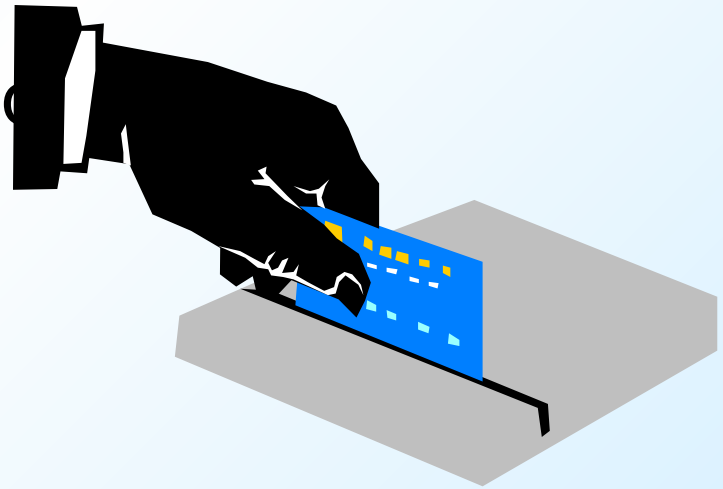
Special Assistant Current Focus

- Unique Identifier projec
- Purchase Cards



Unique Item Identification (UID)

- Objective - create policies setting forth strategic imperative for uniquely identifying tangible items and initiate a migration strategy to achieve long-term UID item marking vision improving life-cycle asset management across DoD
  - Policy will rely to maximum extent possible on commercial item markings and not impose unique government data requirements
- Achievement of this goal will -
  - Facilitate item tracking in business systems, capture of reliable accurate data for asset management and financial accountability
  - Ensure integration of item data across DoD, govt and industry asset management systems as envisioned by the DoD Financial Management Enterprise Architecture (FMEA)
  - Facilitate a clean audit opinion on the property, plant and equipment and operating materials and supplies portion of DoD financial statements
- Target Dates
  - Dec 02 - Forecast of policy issued
  - Mar 03 - Detailed 2 year management and migration strategy
  - Jul 03 - Release of mandatory policy on all new systems and major modifications

Purchase Card Program Office

- FY 02 Program Facts:
  - $7B obligations
  - 11M transactions
  - 135K cardholders
  - $30M earned rebates
- Advantages: Ease of use, flexibility, cost savings
- Internal Controls:
  - Ratio of approving official to cardholder (1:7)
  - Working with IG to develop data-mining strategies to flag abuse and misuse

eBusiness

Deputy Director for eBusiness

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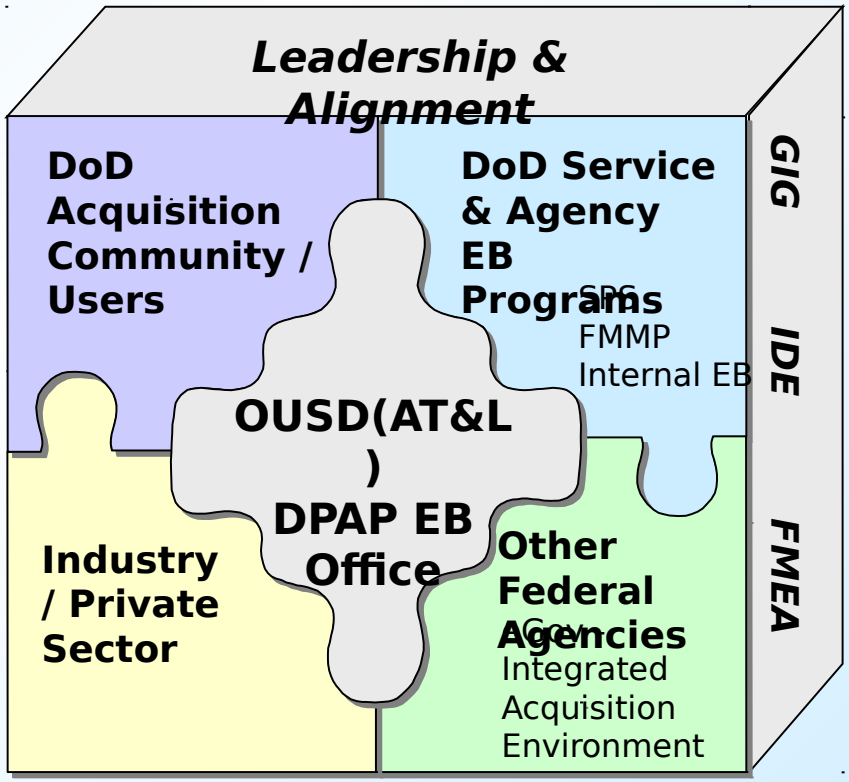
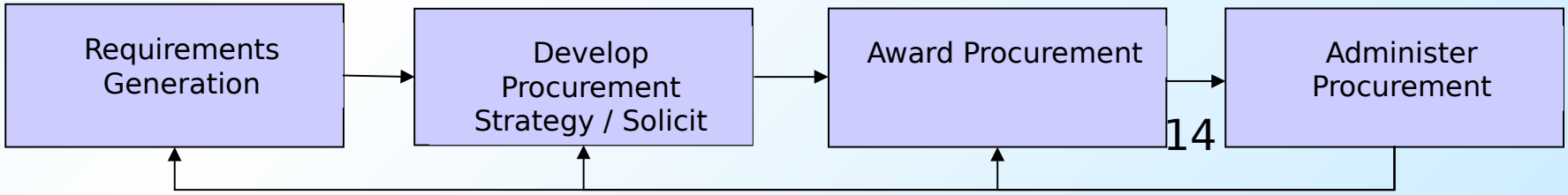
eBusiness (EB) Directorate Overview

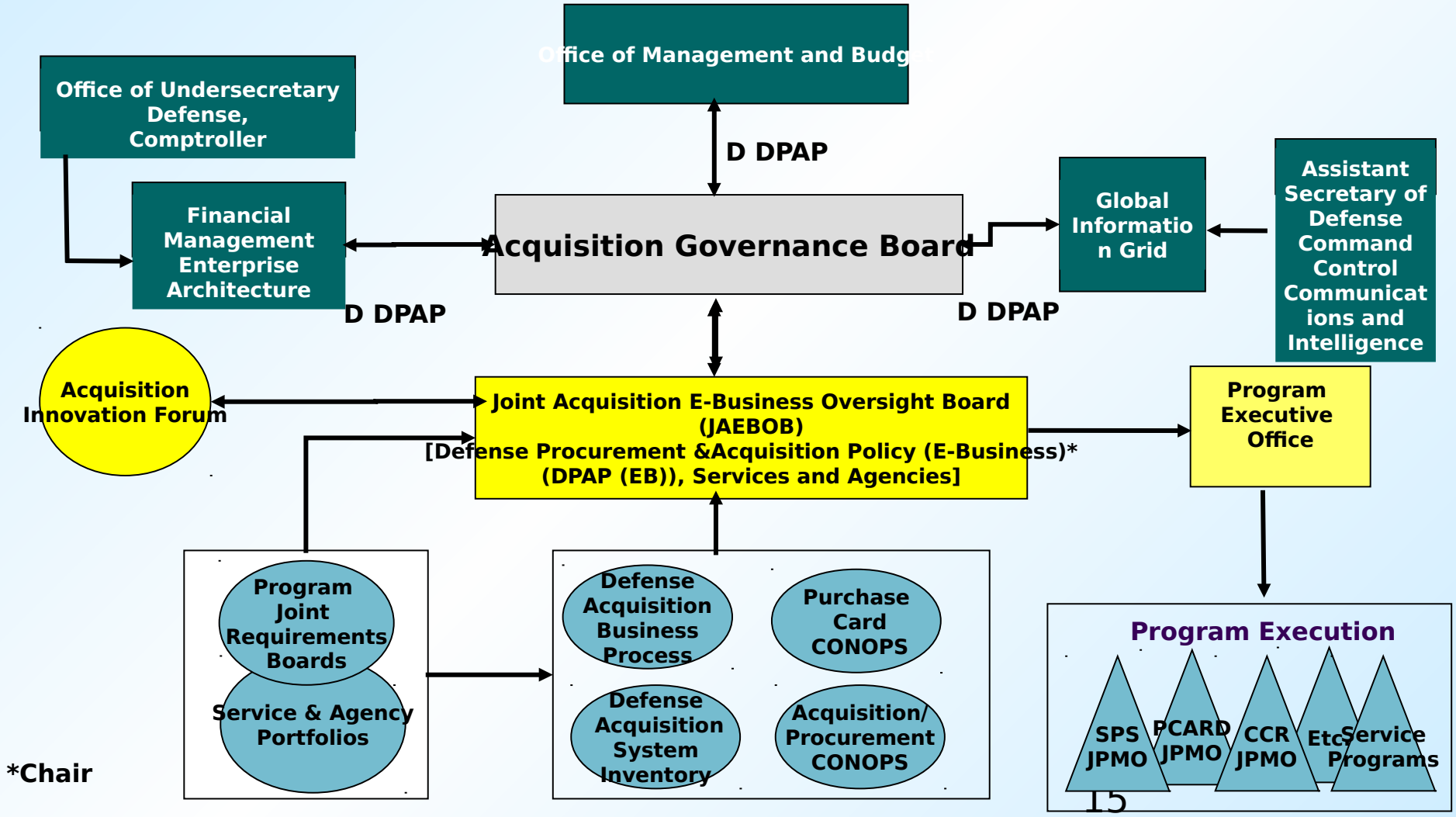
- Vision – An efficient, effective, seamless and collaborative acquisition process for the AT&L workforce, stakeholders, trading partners, and warfighters
- Lead and align the DoD-wide acquisition community across the business process and supporting:
  - Federal eGov Integrated Acquisition Environment (IAE) Initiative
  - DoD's Business Management Modernization Program (BMMP)
  - Acquisition Domain Portfolio
  - DoD-wide EB Programs such as Standard Procurement System (SPS)



The Acquisition Process



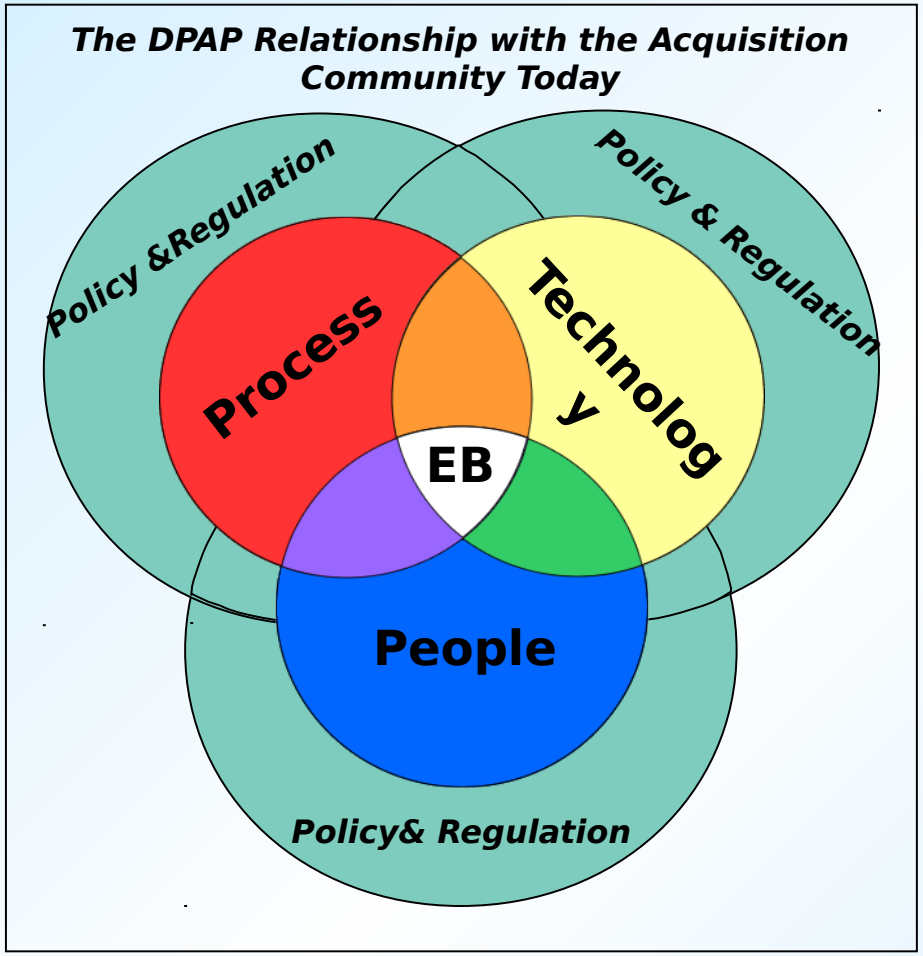
Governance Structure for Acquisition eBusiness



Integrated Acquisition Environment (IAE) Initiative

- Oct 2001 the President's Management Council selected 24 eGovernment projects to move the U.S. Government toward a more efficient electronic government – the IAE Initiative was selected (GSA is Managing Partner)
- Vision of IAE is a secure business environment that facilitates and supports cost-effective acquisition of goods and services in support of mission performance
- DoD is actively participating in the IAE initiative
  - Volunteers on the cross-agency working groups for projects within IAE
  - Deploying already successful DoD EB programs to a Federal environment
- Results will be a shared services environment supporting
  - Business Partner Network (BPN)
  - Standard eTransactions
  - Federal Procurement Data System – Next Generation (FPDS-NG)
  - Intra-governmental Transactions
  - eCatalogs
  - Additional shared services (e.g., Federal Business Opportunities (FedBizOpps)

Integrate People, Process, and Technology



- As DPAP evolves the Acquisition Domain towards the Enterprise Procurement Modernization Environment, E-Business will serve as the integrating function between people, process, and technology
  - Acquisition Policy and Regulation will set the strategic direction for the domain
  - DAU and Acquisition Workforce & Career Management will ensure the people are trained to be strategic managers
  - *DPAP* ***eBusiness*** will design and implement a modern acquisition environment that is consistent with policy and integrates enterprise technologies with best practice processes for use by trained personnel
  - Program Acquisition & Int'l Contracting leverage the integrated business environment and trained personnel to execute DPAP policy and achieve strategic objectives.

The Acquisition Domain Roles and Responsibilities

- Build and maintain Global Information Grid (GIG) compliant architecture products, data strategy, and transition plans that are consistent with Financial Management Enterprise Architecture.
- Review domain portfolio and enforce compliance with architecture, data strategy and transition plans.
- Develop scorecard metrics.
- Review and approve program funding.
- Develop legacy system phase-out strategy and prioritization.
- Develop domain strategy for new acquisitions.
- Select and designate executive agents to plan and implement transformation initiatives within and across the domains.

Managing the Investments and Determining Solutions Within Our Domain

Acquisition Domain Portfolio

As of 25 April 2003

Version 1.0

Federal*

Business Partner Network (BPN)/ Central Contractor Registration (CCR) Suite

Federal Technical Data Solution (FedTeDS)

Past Performance Information Retrieval System (PPIRS)

DoD

Standard Procurement System (SPS)

Electronic Document Access (EDA)

Electronic Mall (E-Mall)

DoD Business Opportunities (DoDBusOpps)

Wide Area Workflow – Receipts & Acceptance (WAWF-RA)

Army

ACASS
AC BI
AIM
ASFI
CCASS
PADDS
PAR
RASS
MEARS

Navy

AFST
AMAS
ASSIST
ATS
CAALTS
CABRILLO
CAMS
CAPS
CESTA
DAADS
EPPG
ESOL
CORPS
CPRS
ITIMP
MACRL
NAFI
NECO
SEAPORT

Air Force

ACPS
AMIS
APS
AS
CARS
CDAS
CIDS
SIS
ADIS
CBIS
J100A
J109
LOOKING GLASS
AFCS/ IDOCS
ConWrite
CPRS

Other Defense Agencies

SPEDE
PBAS-OC
COPS(2)
DARTS
CSS
DPACS
BSM
FFAVORS (DSO 2000)
DCARRS
FOCAS
MOCAS
PLAS
POPS
STORS MIS

*DoD Managed Systems in the Federal Arena

Standard Procurement System (SPS)

- Version 4.2 increments are currently being developed and deployed
  - Over 23,000 current deployed users (also used in contingency operations such as recent Iraqi War)
  - All Services planned to be on 4.2 Increment 2 baseline by 2004 (over 30,000 users)
- Analysis of Alternatives (AoA) being planned to address the enterprise procurement requirements for post SPS Version 4.2

Program Acquisition & International Contracting

Deputy Director for

Program Acquisition & International Contracting

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Program Acquisition & International Contracting Current Focus

- Handles DoD 5000 series policies
- Business Strategies for weapons systems and services
- Advises DAB and Overarching IPTs on acquisition and procurement strategies
- Develops policies for mutual cooperation with allies and FMS programs
- Negotiates foreign reciprocal agreements
- Monitors defense trade balances

Program Acquisition & International Contracting

- **DoD 5000 Rewrite**
  - **DoD 5000.1, Defense Acquisition System**
  - **DoD 5000.2, Operation of Defense Acquisition System**
  - **Outcome focused, less prescriptive**
  - **Fosters efficiency, flexibility, creativity, and innovation**
  - **Increased emphasis on and discussion of evolutionary acquisition (preferred strategy) and spiral development**
  - **DEPSECDEF to review draft Directive and Instruction in April 2003**

Program Acquisition & International Contracting

- Pursuing Legislative Authority to Waive Domestic Preference Requirements
  - Certain areas excluded from consideration
  - Limitations on which countries to which it can apply
- Packaging
  - Recently issued a new Packaging Guidebook "Integrated DoD Guide to Performance-Based Packaging Practices" hosted on our website at www.acq.osd.mil/dpap/guidebooks
  - Defense components participated in the development of the guide
- A-76
- Served on A-76 IIPT and supported preparation of DoD's comments on the revised draft A-76 Circular
- Provided assistance to I&E in drafting DoD's implementation of the revised circular when final
- New A-76 implements both administrative improvements and policy and procedural changes for performing Public Private Competition.
- Berry Amendment – 04 Legislative Initiative to update

Defense Acquisition Regulation

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Defense Acquisition Regulation Systems Directorate Focus

- Develops/Issues regs in DFARS and FARS
- Manages DAR Council
- Develops open communications forum for DoD/Industry to comment on proposed policies and access FAR/DFARS records
- Transforming by Changing the Technology, the Process, and the Book

Change the DARS Culture/Technology

- More openness thru Public Meetings/Posting Public Comments
- Transform DFARS from paper-based to e-based
- Use commercially available products to create a user-friendly information system
- Goals
  - PC-based, web-enabled collaboration tool that supports communication and coordination
  - Workflow tracking
  - Standard and ad hoc management reports and data storage
  - Document management
  - Document distribution
  - Library with search and retrieval capability

Change the DARS Process

- Restructure the Civilian Agency Acquisition Council/Defense Acquisition Regulation Council rulemaking process to improve
  - Quality
  - Responsiveness
  - Transparency
  - Efficiency
  - Simplicity

Process Change for DARS Subcommittees

- Transform the current 28 subcommittee structure to 5 teams
  - Strategy, Implementation, Finance, Law, and Technology
  - The team chairs will be accountable to the FAR Signatories
  - Dedicated DoD/civilian team members augmented with subject matter exper as required
  - Concurrent DARC/CAAC review of team recommendations

DFARS-Change the Book Phase 1

- Goal of reducing DFARS content by 40%
- 3 Phase analysis
  - Phase 1– Assign coverage to one of 3 categories (completed November 26, 2002)
    - Statutory
    - Statutory – suspect
    - Non-statutory
  - Completed May 1, 2003

DFARS-Change the Book Phases 2 and 3

- Phase 2
  - Detailed analysis and validation of Phase I results
    - Determine whether statutory-suspect content is statutory
    - Determine appropriate placement for non-statutory content
      - Regulation
      - Mandatory Procedures
      - Guidelines
      - Removal
- Phase 3
  - Rewrite the DFARS
    - Regulations based on statutes, significant policies, and rules that impact the general public
    - Develop business procedures and guidelines
    - Internal mandatory DoD procedures and best practices

Policy

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Acquisition of Services

- Sec 801of FY 02 DoD Authorization Act requires management structure comparable to defense systems for review of services to ensure strategies for services are in the best interest of the government. Actions taken:
  - USD(AT&L) memo of May 2002 and military department review procedures
  - Spend Analysis
    - Team established to perform commercial type spend analysis on services to identify potential areas for more efficient contracting
    - Anticipate pilot programs in FY 04

Competition for Services

- Orders for services over $100,000 placed against multiple award contracts, including Federal Supply Schedules (FSS), must be awarded on a competitive basis. Emphasis is on good market research techniques
  - For FSS, competitive basis satisfied if:
    - Notice is provided to as many contractors as practicable and offers are received from at least 3 qualified contractors (unless CO determines that no additional qualified contractors were reasonably able to be identified), or
    - Fair notice provided to all contractors offering such services
  - For multiple award contracts, other than FSS, fair notice must be provided to all offerors

- Contracting Officer may waive the requirement only if one of the exempted circumstances (e.g., urgency, sole source, minimum guarantee) applies, or if statute identifies a specified source

Financial Initiatives

- AT&L policy in May 2001 discouraging cost-sharing on R&D contracts
- Progress payment rate increased to 80% in October 2001
- Profit policy changes in April 2002 to decrease emphasis on investment in facilities and increase emphasis on cost efficiencies
- Cost principles being streamlined and revised to be more consistent with commercial practices (e.g. relocation costs revised in June 2002)

TINA and CAS Waivers

- Sec 817 of the FY 2003 DoD Authorization Act stipulates that a TINA or CAS exceptional case waiver shall be made only upon determining that:
  - The property or services cannot reasonably be obtained without the waiver
  - The price can be determined to be fair and reasonable without cost or pricing data or application of CAS; and
  - There are demonstrated benefits to granting the waiver

- An annual congressional report required on the above **and** commercial item exceptions on actions ≥ $15 million

Small Business Issues: Bundling- Proposed Rule

- Bundling - Implement the President's Small Business Agenda for unbundling federal contracts to increase Federal contracting opportunities for small businesses

- The proposed FAR changes will --
  - Increase review of contracts and orders for unnecessary and unjustified contract bundling
  - Reduce the threshold and increase the documentation requirements for "substantial bundling" action
  - Mitigate the effects of necessary contract bundling by strengthening compliance with subcontracting plans

Small Business Issues: SB Subcontracting Initiatives

- Government-wide Automated Reporting System planned to streamline contractor reporting
- Considering past performance procedural changes to Past Performance Information Retrieval System:
  - Integrate DCMA's assessments of the Comprehensive Subcontracting Test Plan contractors
  - Evaluate SB subcontracting performance when individual plans required.
- DCMA/SADBU Working Council investigating changes to improve the comprehensive subcontracting test program, to include major program reporting

Federal Prison Industries

- Before purchasing any product from FPI's mandatory list, conduct market research to determine if FPI product is comparable to products available from the private sector that best meet the government's needs in terms of price, quality and schedule
  - If FPI is comparable, follow FAR 8.602(a)
  - If not comparable, use competitive procedures and let FPI compete

- Additional changes in Sec 819 (of FY 03 DoD Authorization Act) to include recognition that CO determination regarding comparability is not subject to arbitration

Contingency Authorities

- DoD emergency procurement authority
- Homeland Security Act
- Matrix outlining differences and applicability of each available at:

http://www.acq.osd.mil/dp/dars/matrix.doc

Other Areas

- Performance based acquisition
- Prototype “other transactions”
- Past performance
- JWOD/Randolph-Sheppard
- Commercial Items
- Intellectual property
- Government property
- Contractors in support of deployed forces

DPAP Acquisition Exchange Program

- Opportunity for career development assignment in DPAP
- Last call for nominations closed February 03
- Next call within 3 months
- Watch DPAP website for future opportunities
- http:www.acq.osd.mil/dpap

Acquisition Workforce & Career Management

Deputy Director for Acquisition Workforce & Career Management

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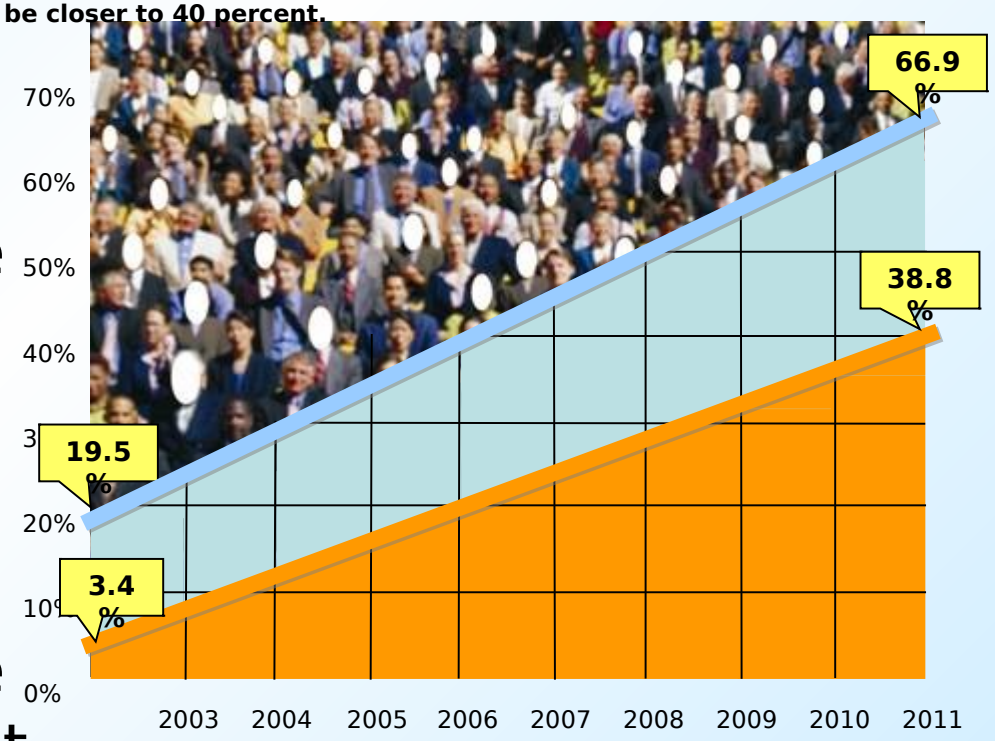
Acquisition Workforce & Career Development Focus

- Outreach and Communications
- Continuous Learning for Emerging Topics
- Acquisition Workforce Policy and Initiatives
- Defense Acquisition Career Management for the Fourth Estate
- Acquisition Workforce Demonstration Project

Federal Employee Retirement

Nearly 70 percent of federal employees are eligible to retire between now and 2011, but the Office of Personnel Management projects actual retirements will be closer to 40 percent.



*Percentages are cumulative, based on employees on board as of Oct. 1, 2001

SOURCE: Office of Personnel Management (OPM)

Shaping the Future Innovative Workforce

Human Capital Strategic Planning

- Identified as a critical process by DoD and Congressional leaders – DoD policy in ‘02
- Now in third year of planning process
- Key question is what functions/skills do we need for the future, what do we have, and how to we move from here to there
- Need good human capital strategic planning to shape and defend the workforce

Right People

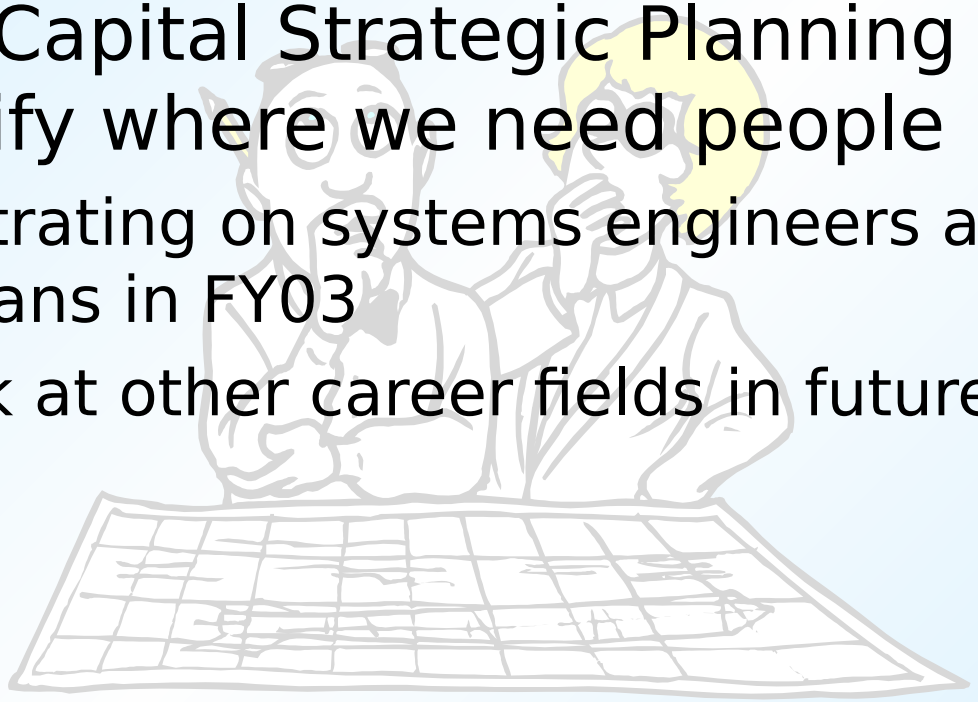
- Recruit at the apprentice level
  - Need innovative ways to reach new workforce using branding and new ways to reach people
  - Develop and protect interns (15% of positions)
- Exchange at the journeyman level
  - Bring people in from industry to serve for a few years
  - Recognize alternative certifications
- Retain at all levels
  - Opportunities for personal and professional growth

Right Skills

- Functional Advisors reviewing career fields for competencies and training requirements
  - PM career field first
  - Contracting career field in process
- Continuous Learning requirement for 80 hours within two years
  - DAU CLC website has over 40 courses
  - Additional 20+ courses schedule each fiscal year
- Outreach efforts planned in major areas (e.g., acq of services, transition planning, etc.)

Right Place

- Human Capital Strategic Planning designed to identify where we need people
  - Concentrating on systems engineers and logisticians in FY03
  - Will look at other career fields in future years



Right Time

- Streamlining the Defense Workforce Improvement Act (DAWIA) to allow SecDef authority to change positions, tenure, and certification requirements
- Longer tenure for senior positions
- Direct hire authority
- More referrals for open positions
- Central referral system for jobs

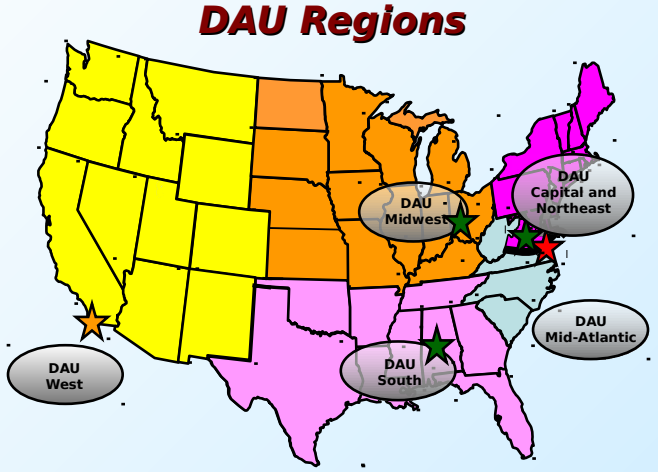
Right Pay

- Acquisition Workforce Demo Project in place
  - Currently 5000 participants
  - Plan to add 7000 more in FY03
- DoD working on Best Practices to transition to Demos across DoD
- National Security Personnel System to contain pay for performance system

Defense Acquisition University

Mission: DAU was established by the November, 1990 Defense Acquisition Workforce Improvement Act (DAWIA) to provide practitioner training and services to enable the Acquisition, Technology, and Logistics community (132K personnel) to make smart business decisions and deliver timely and affordable capabilities to the warfighter.

- Centralized management and funding
- DAU reports directly to USD (AT&L)
- Training Products include: Certification, Assignment Specific Training, Continuous Learning Modules, Performance Support, Applied Research, Currency Training.
- Located in Five Regions



Who we are . . . A "Corporate University" for the DoD AT&L Workforce

- **Job – relevant, practitioner training**
  - **Skills-based, certification training**
  - **Assignment specific training**
- **Continuous learning opportunities**
- **Performance support and applied research**
- **Knowledge sharing and CoPs**
- **Strategic Partnerships**

Enables

AT&L's Human Capital Strategic Plan

by being the

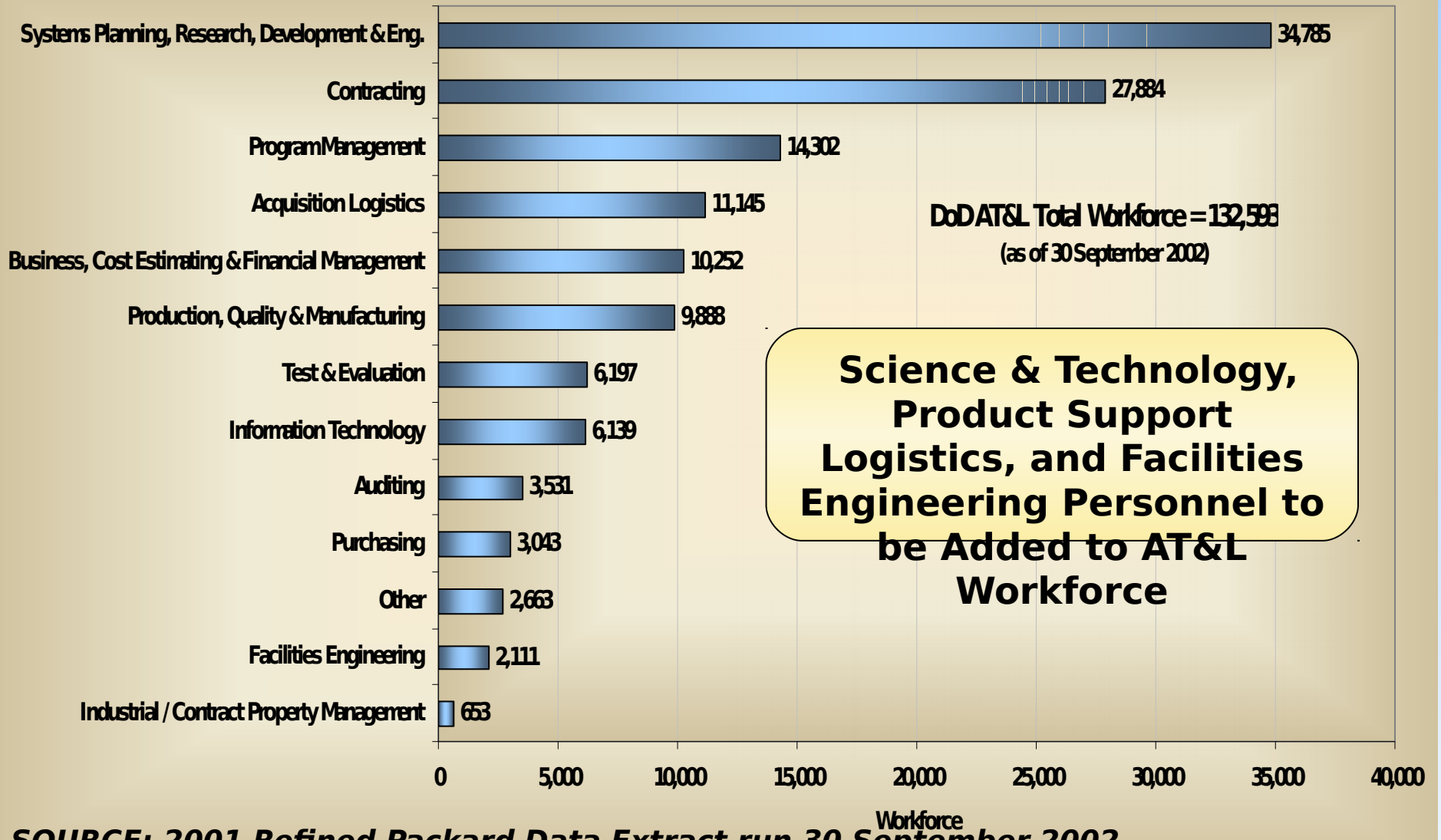
total learning provider

for the

DoD AT&L workforce

"Facilitating Workplace

Our Learning Focus



SOURCE: 2001 Refined Packard Data Extract run 30 September 2002

DAU Performance Learning Model

Communities of Practice

Performance Support

Rapid Deployment

Training

Continuous Learning

Academic Credit - ACE

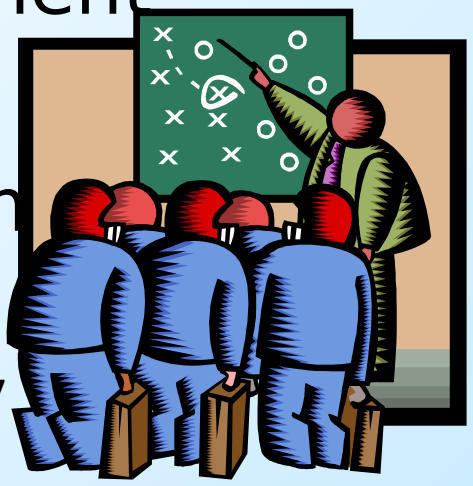
Accreditation - COE

DAU Can Leverage its Performance Learning Model (PLM) to Help Partners and All DoD

You get the same great experience no matter what part of DAU you experience!

Professional Development & Continuous Learning Opportunities to Maintain Currency

- DoD Procurement Conference May 04
- PM Workshop Jun 02
- Federal Acquisition Conference Jun 02
- Section 803 website, video, briefings
- DoD 5000 streamlining – media blitz
- Professional Organization involvement
- Current Publications, websites
- Professional Development Program



For further info:

- **DPAP Website:**
  - www.acq.osd.mil/dpap

Address http://www.acq.osd.mil/dpap
Acquisition Now | Acquisition Today | Knowledge Management | AKSS (Deskbook) | DFARS | E-Business
Defense Procurement and Acquisition Policy
Organization
Policies, Regulations, & Laws
Workforce, Training & Career Development
Industry Forums
Special Projects
Links
Search
Go
Opinion / Poll
Did you find this site/page helpful?
Please click on a star to submit your rating.
Mouse-over for rating.
Latest News and Events
•Secretary Aldridge recently appointed Domain Owners (Adobe PDF - Get Adobe Acrobat) to support the implementation of the Financial Mgmt Enterprise Architecture. The Acquisition/Procurement Domain Owner, Ms Dee Lee, designated her Dep. Director for E-Business (703-614-3882) as her day-to-day manager.
•The Department is kicking off a major initiative to consider bold changes to the DFARS. For more information on this effort, go to the DFARS Transformation Homepage. The public is encouraged to participate in generating ideas for improvements. Please Click Here to submit your proposals.
•The new Manager's Guide to Technology Transition in an Evolutionary Acquisition Environment, dated 31 January 2003 has been posted. Click here to review it. (Adobe PDF - Get Adobe Acrobat)
•Read the latest DoD-wide AT&L Workforce Count Report dated January 27th, 2003.
•Call for third annual Ida Ustad Award for Excellence in Acquisition - closing date February 24, 2003. Click here for details.
•Call for Acquisition Exchange Program Applications (closing date: February 18, 2003). Click here to review.
More News and Events